

State of Alaska FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities Fairbanks Airport Administration Component Budget Summary

Component: Fairbanks Airport Administration

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Component Mission

The mission of Fairbanks International Airport (FIA) Administration component is to provide the overall airport management and leadership necessary to assure that all Airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient and cost-effective manner

Component Services Provided

Specific services include: planning, organizing, directing and controlling airport functions; development and implementation of Strategic Management Plans; operating and capital budget development; collection of landing fees, rents, concession and other revenues, accounts payable, Pcard reconciliation, payroll/T&E processing, collection and dissemination of airport statistical and financial data to the state, FAA and others; revenue, expenditure, and statistical analysis; negotiation and administration of 137 leases, airline operating agreements, and other permits; management of over 500 aircraft tie-down and float pond permits; computer work station and network maintenance.

Component Goals and Strategies

Effective airport management

- Provide accurate financial and statistical information and guidance to airport staff, tenants, and other state and federal agencies.
- Manage the real property interests, rights and privileges granted at FIA consistent with the dynamic needs of general and commercial aviation tenants, other lessees and permit holders, the traveling public and the local community.
- Plan and execute a capital improvement program consistent with the Airport Master Plan and Six-Year Capital Improvement Program.
- Achieve network connectivity essential to FIA communications and law enforcement activities with no down time.
- Plan and execute a cost effective equipment replacement schedule that is responsive to changing information technology requirements within and beyond the FIA local area network.

Key Component Issues for FY2002 – 2003

- New Title 17 regulations were promulgated in January, 2001. Technical changes have been made to boilerplate language, but several agreement formats require extensive rewriting before new contracts can be offered. At the same time, Title 17 is undergoing further revision that will result in more changes to the application process and agreement language.
- The airports will continue to work with air carriers to fine-tune the new operating agreements that became effective July 1, 2001.
- The International Airport System has just hired a new Controller. Both airports will work with the Controller to bring him up to speed on new operating agreements, imminent revenue bond sales to fund capital project budgets, and on rates and fees which are expected to require mid-year adjustments in January, 2002.
- The terrorist attacks of September 11, 2001 and the continuing changes to airport security requirements and guidelines have impacted all levels of airport management and staff and expenses. The administrative changes associated with responding to nationwide political and economic concerns will occupy significant amounts of time, energy and resources throughout the current and budget year.

Major Component Accomplishments in 2001

Leasing staff played a major role in finalizing Title 17 regulations for the international airports.

- All rental car agency concession contracts expired on May 30, 2001, and new contracts with significant changes were executed June 1.
- As part of regulatory changes, almost 500 new tiedown space applications/permits were successfully processed before June 30.
- New ground transportation permits were completed in addition to revising numerous internal checklists and templates.
- After two years of non-stop negotiations, new operating agreement language between the airport and major air carriers was finalized in late spring and new agreements were executed in October, 2001. The agreements include significant changes to how terminal and ramp space is utilized by and billed to carriers. The FIA accounting office shouldered much of the burden of coordinating changes necessary to the revenue and statistical accounting systems.

Statutory and Regulatory Authority

AS 2 Aeronautics
AS 44 State Govt.
FAR Part 139
FAR Part 107
FAR Part 108
29 CFR OSHA

Fairbanks Airport Administration

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	879.4	991.9	1,021.0
72000 Travel	18.4	15.9	15.9
73000 Contractual	521.8	504.2	544.2
74000 Supplies	31.5	49.2	49.2
75000 Equipment	6.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,457.1	1,561.2	1,630.3
Funding Sources:			
1027 International Airport Revenue Fund	1,457.1	1,531.5	1,600.6
1061 Capital Improvement Project Receipts	0.0	29.7	29.7
Funding Totals	1,457.1	1,561.2	1,630.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	6,795.5	7,036.6	7,036.6	6,880.0	7,878.3
Unrestricted Total		6,795.5	7,036.6	7,036.6	6,880.0	7,878.3
Restricted Revenues						
Capital Improvement Project Receipts	51200	0.0	0.0	0.0	29.7	0.0
Restricted Total		0.0	0.0	0.0	29.7	0.0
Total Estimated Revenues		6,795.5	7,036.6	7,036.6	6,909.7	7,878.3

Fairbanks Airport Administration**Proposed Changes in Levels of Service for FY2003**

No major change in the scope or level of ongoing services provided is anticipated for the current or budget year.

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	1,561.2	1,561.2
Adjustments which will continue current level of service:				
-Transfer in \$40.0 from TSAIA for Risk Management Costs RP 25-2-6438	0.0	0.0	40.0	40.0
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	29.1	29.1
FY2003 Governor	0.0	0.0	1,630.3	1,630.3

Fairbanks Airport Administration

Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	15	15	Annual Salaries	726,122
Part-time	0	0	COLA	20,341
Nonpermanent	0	0	Premium Pay	15,314
			Annual Benefits	271,580
			Less 1.20% Vacancy Factor	(12,357)
			Lump Sum Premium Pay	0
Totals	15	15	Total Personal Services	1,021,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Spvr I	0	1	0	0	1
Accounting Tech I	0	1	0	0	1
Accounting Tech II	0	1	0	0	1
Administrative Clerk III	0	2	0	0	2
Administrative Manager III	0	1	0	0	1
Administrative Svcs Mgr	0	1	0	0	1
Airport Manager Fairbanks	0	1	0	0	1
Analyst/Programmer I	0	1	0	0	1
Leasing Officer I	0	1	0	0	1
Leasing Officer II	0	1	0	0	1
Leasing Officer III	0	1	0	0	1
Micro/Network Spec I	0	1	0	0	1
Personnel Asst I	0	1	0	0	1
Secretary	0	1	0	0	1
Totals	0	15	0	0	15